

Regular Session, November 15, 2010, 7:00 p.m.  
Catawba County Board of Commissioners

**Appointments**

Dangerous Dog Appellate Board	702	11/15/10
Catawba County Youth Council	702	11/15/10

**Awards**

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**Catawba Valley Medical Center**

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**Ordinance**

Budget Ordinance for CDBG Infrastructure Water/Sewer Hook-up Grant	696	11/15/10
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In Support of naming Interstate 40 Bridges between Iredell & Catawba Counties		
In honor of fallen Trooper Cecil H. Hoffman	695	11/15/10
Resolution Adopting Policy Regarding Interest Rate Cap Agreements Related to		
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**Utilities and Engineering**

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The Catawba County Board of Commissioners met in regular session on Monday, November 15, 2010 at 7:00 p.m. in the Robert E. Hibbitts Meeting Room of the 1924 Courthouse, 30 North College Avenue, Newton, North Carolina.

Present were Vice-Chair Lynn M. Lail and Commissioners Dan A. Hunsucker, Barbara G. Beatty and Randy Isenhower.

Chair Katherine W. Barnes was absent.

Also present were County Manager J. Thomas Lundy, Assistant County Manager Dewey Harris, County Manager Lee Worsley, County Attorney Debra Bechtel, Deputy County Attorney Anne Marie Pease and County Clerk Barbara Morris.

1. Vice-Chair Lynn M. Lail called the meeting to order at 7:00 p.m. Vice-Chair Lail noted that Chair Barnes was absent due to family medical commitments.
2. Commissioner Randy Isenhower led the Pledge of Allegiance to the Flag.
3. Commission Dan A. Hunsucker offered the invocation.
4. Commissioner Barbara G. Beatty made a motion to approve the minutes of the Regular Meeting and Closed Session of November 1, 2010. The motion carried unanimously.
5. Recognition of Special Guests: Vice-Chair Lail welcomed all present. She recognized NC Representative Mitchell Setzer, Catawba County Schools Interim Superintendent Glenn Barger and his wife Beverly, Catawba County NAACP President Jerry McComb and new Hickory Daily Record Reporter Sharon McBrayer.
6. Public Comments for Items not on the Agenda: None.
7. Presentations:
  - a. North Carolina Representative Mitchell Setzer presented Catawba County Schools Interim Superintendent Glenn Barger with the Order of the Long Leaf Pine, the State's highest civilian honor awarded by the Governor. The award was in recognition of Mr. Barger's long history of public service as a Catawba County educator, principal, superintendent and county commissioner. Mr. Barger thanked Representative Setzer and the Board for the honor and expressed his appreciation for the opportunities he had had to reach the children and citizens of Catawba County.
  - b. North Carolina State Highway Patrol Sgt. Kelly Stewart presented a request for the Board to adopt a resolution in support of naming the Interstate 40 bridges between Iredell and Catawba County for fallen Trooper Cecil H. Hoffman. Trooper Hoffman was killed on March 15, 1968 while in pursuit of a speeding vehicle and left behind a wife and two small children. The North Carolina Board of Transportation has authority to make such dedications, but it was requested that the Catawba County Board of Commissioners join with the Iredell County Board of Commissioners in supporting this request by the adoption of resolutions of support. Commissioner Isenhower made a motion to adopt a resolution in support of naming the Interstate 40 bridges between Iredell and Catawba County for fallen Trooper Cecil H. Hoffman. The motion carried unanimously. The following resolution applies:

#### **RESOLUTION 2010-23**

##### **IN SUPPORT OF NAMING INTERSTATE 40 BRIDGES FOR FALLEN TROOPER CECIL H. HOFFMAN**

**WHEREAS**, the North Carolina Highway Patrol was established in 1929 with a statutory responsibility to patrol the highways of the state, enforce the motor vehicle laws, and assist the motoring public; and

**WHEREAS**, in accomplishing the many services and responsibilities of the North Carolina Highway Patrol, many courageous and noble state troopers have made the ultimate sacrifice in giving their lives while in the line of duty; and

**WHEREAS**, the North Carolina Board of Transportation has allowed bridges throughout North Carolina to be named after fallen troopers as a fitting and proper way to honor them; and

**WHEREAS**, on March 15, 1968, in Iredell County, State Highway Patrolman Cecil H. Hoffman was killed in a pursuit related traffic accident; and

**WHEREAS**, the Catawba County Board of Commissioners desires to dedicate the bridges that are located along Interstate 40 at the Iredell/Catawba County boundary line in honor of Patrolman Hoffman.

**NOW, THEREFORE, BE IT RESOLVED** that the Catawba County Board of Commissioners requests that the North Carolina Board of Transportation name the bridges after Patrolman Hoffman as a way to signify and memorialize his contributions to Catawba County and the State of North Carolina and further requests the North Carolina Department of Transportation erect the proper signage to read **"Trooper C.H. Hoffman Memorial Bridges"** to notify the general public of this important dedication.

Adopted this the 15th day of November, 2010.

c. 4H Agent Donna Mull and members of the Catawba County Youth Council came forward to present a report on its involvement in the recent North Carolina Association of County Commissioners District Meeting. Council members participated in a leadership program and identified ten issues affecting teens today.

8. Public Hearings:

a. Utilities and Engineering Assistant Director Jack Chandler came forward and requested the Board hold a second public hearing on a proposed amendment to the budget for a 2009-10 Community Development Block Grant Infrastructure Water/Sewer Hook-up grant to add \$75,000 in additional grant funds to the budget, and approve an amendment in the amount of \$7,500 to an administrative contract with the Western Piedmont Council of Governments (WPCOG) for administering the grant. In January 2010, the County received a \$75,000 grant to provide low to moderate income households with taps and connections to existing municipal water/sewer lines(s) in Catawba County. The County has now received from the North Carolina Department of Commerce's Division of Community Assistance an additional \$75,000 to expand this grant. To date, eighteen homes have been connected to either water or sewer service. The County is proposing to connect an additional ten to nineteen low to moderate-income households in Catawba County to water and/or sewer service where there are municipal water/sewer lines in front of the house. The grant will pay for all tap fees, capital or assessment fees and connection from the meter to the house. No one came forward to speak at the public hearing and Vice-Chair Lail closed the hearing. Commissioner Hunsucker made a motion to adopt the budget amendment and approve the amendment to the administrative contract with WPCOG. The motion carried unanimously and the following ordinance applies:

**AMENDMENT#1**  
**ORDINANCE#\_\_\_\_\_**

**CATAWBA COUNTY'S PROJECT BUDGET ORDINANCE**  
**2009 CDBG INFRASTRUCTURE WATER/SEWER HOOK-UP GRANT**

Be it ordained by the County Commissioners of Catawba County that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following grant project ordinance is hereby adopted.

Revenues

Community Development Block Grant	\$ 150,000
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Expenditures

Water Improvements(CDBG)	\$ 131,250
Planning(CDBG)	1,000
Administration(CDBG)	<u>17,750</u>
	\$ 150,000

Adopted this the 15th day of November, 2010.

The following contract amendment applies:

**AGREEMENT BETWEEN THE  
WESTERN PIEDMONT COUNCIL OF GOVERNMENTS  
AND CATAWBA COUNTY FOR THE PROVISION OF  
GRANT MANAGEMENT ASSISTANCE  
WEST MAIDEN WATER AND SEWER PROJECT  
MARCH 1, 2010 – JUNE 30, 2011**

The Local Government and the Planning Agency have agreed to amend the above referenced agreement as follows:

**Change date in heading, page 1**

March 1, 2010 – June 30, 2011

**Change contract amount in paragraph #3, page 2, as follows**

The Local Government will pay the Planning Agency an amount not to exceed \$16,750 (sixteen thousand seven hundred fifty) for the satisfactory performance of all services related to administration of the project as defined in the Scope of Services

**Change date in paragraph #5, page 3, as follows**

The Planning Agency shall ensure that all services required herein shall be completed and all required reports, maps, and documents submitted during the period beginning March 1, 2010 and ending June 30, 2011.

**Change date in heading, Scope of Services**

March 1, 2010 – June 30, 2011

**Change date in Scope of Services, Attachment A, page 2 Time of Performance**

The WPCOG will complete all activities involved in administration of this project in a 16-month period beginning March 1, 2010 and ending June 30, 2011.

Approved by mutual consent.

b. Planner Chris Timberlake presented a request for the Board to hold a public hearing and consider a request by Bumgarner Oil to rezone one parcel, totaling 0.86 acres, from R-20 Residential to RC-CD Rural Commercial-Conditional District. The property is located at the intersection of Sulphur Springs Road and Snow Creek Road in the St. Stephens/Oxford Small Area Planning District. This parcel is zoned R-20 Residential and has been the location of a service station since the early 1970s. The service station is still in operation and considered non-conforming. By right, the applicant could purchase the property and continue to operate the service station. Properties to the north, south, east and west are zoned R-20 Residential and include single-family homes, an accessory structure and one vacant property.

The Catawba County Unified Development Ordinance (UDO) Section 44-417, RC Rural Commercial District states: *"This district provides small areas for offices, services, and retail uses, all designed in*

*scale with surrounding residential uses. The district regulations are designed to protect and encourage the transitional character of the district by permitting uses and building forms that are compatible with the rural areas of the county. This district establishes setback and area standards that are compatible with residential neighborhoods."*

The Catawba County UDO Section 44-327, CD Conditional Zoning District states: *"The conditional zoning districts included herein allow for the consideration of certain uses that, because of their nature or scale, have particular impacts on both the immediate area and the community as a whole and are created or established for selected criteria as indicated in the applicability section below. The development of these uses cannot be predetermined and controlled by general district regulations. In addition, circumstances arise when a general zoning district designation would not be appropriate for a certain property, but specific uses permitted under the district would be consistent with the objectives of this section. To accommodate those situations, this section establishes the conditional zoning district process. A conditional zoning district is not intended for securing speculative zoning for a proposal but rather is based on a firm development proposal."*

The applicant requested rezoning to a Rural Commercial-Conditional District (RC-CD) to allow construction of a new convenience store, architecturally designed to complement the surrounding residential neighborhood. The RC-CD district is intended to provide for master planned projects with clear and firm development proposals. When conditional zoning is used, site and use specific development proposals are submitted for review and approval. Sites approved as conditional zoning districts are bound, in terms of use and design, in accordance with approved plans and conditions. Properties may only develop in accordance with approved plans. Substantive modifications, beyond 10% of dimensional criteria, require re-submittal and re-approval by the Board of Commissioners. The gross floor area of the proposed convenience store is 2,800 square feet and cannot exceed 3,360 square feet. The permitted floor area ratio in RC districts is 1:5; where, for every square foot of building space there must be five square feet of land area. For the square footage noted above, there must be a minimum of 14,000/16,800 square feet of land area. The property is 37,461 square feet (.86 acres) in size and, therefore, meets the floor area ratio requirement.

As part of the conditional zoning, a developer submits a list of voluntary conditions which exceed the general zoning standards that would apply to the site if the property is rezoned. The following conditions have been offered by the applicant, negotiated and recommended by County staff: exterior building materials will be brick, stone/EIFS, with vinyl siding with a "hip" style shingle roof; a brick enclosure matching the brick on the store's facade will be used to screen a dumpster area; the building height is designed to meet R-20 Residential standards and setbacks proposed are those of the RC district (greater side setback than that of residential districts); all exterior lighting will be full cut-off to reduce light pollution; a bike rack will be provided on-site to encourage alternative transportation to and from the convenience store; the canopy above the gas pumps will include a "hip" style shingle roof to complement the roof of the store; the two driveway cuts on Sulphur Springs Road will be reduced to one cut and the width of the driveway on Snow Creek Road will be reduced. Both are proposed to be properly curbed. *Note: driveway permits must be approved by the North Carolina Department of Transportation;* a monument sign would be used for advertisement; and approximate store hours will be from 5:30 a.m. to 12:00 a.m.

Public water and sewer services are available at this location. According to the 2035 Greater Hickory Urban Area Long Range Transportation Plan, both Sulphur Springs Road and Snow Creek Road are designated as minor thoroughfares. In 2009, the average daily traffic (ADT) count along Sulphur Springs Road was 5,900 vehicles per day (VPD) and 5,300 VPD north and south of the site, respectively. In 2009, the ADT count along Snow Creek Road to the west of the site was 3,800 VPD. There are no recommended improvements to either of these roads at this time.

The St. Stephens/Oxford Small Area Plan serves as the current land use plan for this area and the subject property is located in an area designated for residential use. Based on the Small Area Plan, the long standing use of the property, and the potential for non-conforming uses to continue to exist

and even expand, staff considered this request to be inconsistent with the adopted land use plan but reasonable for consideration.

The Catawba County Planning Board held a public hearing on October 25, 2010, continued on November 1, 2010. The applicant was present, however no questions or concerns were brought forward. No one spoke in opposition to the request. By a vote of 5-0, the Planning Board recommended adoption of a statement acknowledging the inconsistency of the rezoning request with the St. Stephens Small Area Plan, but recognizing the reasonableness to rezone the property from R-20 Residential to RC-CD Rural Commercial-Conditional District based on the proposed conditions by which the applicant agrees to develop the property, the long-standing non-residential use (service station) of the property; and the opportunity to redevelop the existing property to meet current development standards.

Vice-Chair Lail opened the public hearing, noting it had been duly advertised. No one came forward to speak and Vice-Chair Lail closed the public hearing.

Commissioner Isenhower inquired if the owners would have to come before the Board again should they chose to change the store operation hours and Mr. Timberlake indicated that a substantial change would require Board action. Commissioner Hunsucker made a motion to adopt a statement acknowledging the inconsistency of the rezoning request with the St. Stephens Small Area Plan but recognizing the reasonableness to rezone the property based upon the proposed conditions by which the applicant agrees to develop the property, the long standing non-residential use of the property and the opportunity to redevelop the existing property to meet current development standards and approve the rezoning request based on these factors. The motion carried unanimously.

The following statement and ordinance apply:

#### **ZONING MAP AMENDMENT CONSISTENCY STATEMENT**

On November 15, 2010, at the request of David Bumgarner, the Catawba County Board of Commissioners conducted a public hearing for the purpose of considering a zoning map amendment (Case #RZ2010-002).

Upon considering the matter, the Catawba County Board of Commissioners finds the item to be inconsistent with the St. Stephens/Oxford Small Area Plan, but reasonable for consideration based upon:

- (a) The proposed conditions by which the applicant agrees to develop the property;
- (b) The long-standing non-residential use (service station) of the property; and,
- (c) The opportunity to redevelop the existing property to meet current development standards.

The Catawba County Board of Commissioners therefore approves the zoning map amendment. This approval was affirmed by a vote of 4 - 0 of the Catawba County Board of Commissioners.

**Ordinance No. 2010-\_\_\_\_\_**

#### **AMENDMENT TO THE CATAWBA COUNTY ZONING MAP**

**BE IT ORDAINED BY THE BOARD OF COMMISSIONERS**, that the Catawba County Official Zoning Atlas is hereby amended by rezoning the following described property from R-20 Residential to RC-CD Rural Commercial-Conditional District RZ2010-002.

One parcel totaling .86 acres located at 3725 Sulphur Springs Road in the St. Stephens/Oxford Small Area Planning District, Clines Township, and further identified by Parcel Identification Number 3724-12-87-9000.

**PLAN CONSISTENCY STATEMENT:**

Pursuant to NCGS 153A-341, and upon consideration of the recommendations and guiding principles of the St. Stephens/Oxford Small Area Plan, the Catawba County Board of Commissioners finds the rezoning request to be inconsistent with the Small Area Plan, but reasonable for consideration based upon:

- (a) The proposed conditions by which the applicant agrees to develop the property;
- (b) The long-standing non-residential use (service station) of the property; and,
- (c) The opportunity to redevelop the existing property to meet current development standards.

c. Planner Chris Timberlake presented a request for the Board to hold a public hearing and consider a rezoning request by Berry and Julia Caldwell to rezone two parcels totaling 5.19 acres from HC Highway Commercial to R-20 Residential. The properties are located at 7804 and 7826 Highway 150 in the Sherrills Ford Small Area Planning District. Parcels to the north and east are zoned R-20 Residential and have single-family residences. Two parcels to the south are zoned PD-CD Planned Development-Conditional District and PD Planned Development District and are undeveloped. An additional parcel to the south is zoned R-30 Residential and currently occupied by a single-family residence. Two parcels to the west are zoned PD-CD Planned Development-Conditional District and undeveloped, and HC Highway Commercial and occupied by a single-family residence.

Generally, the R-20 Residential District is considered a medium-density residential and agricultural district. Permitted uses in the R-20 Residential District consist predominately of site-built homes and agricultural uses. The subject properties are located in a Mixed Use Corridor-Overlay (MUC-O) and WS-IV Critical Area. The R-20 Residential District permits a maximum density of two dwelling units per acre. The MUC-O restricts specific uses and provides for higher architectural standards and pedestrian amenities, and the WS-IV Critical Area limits the built upon area of commercial properties.

Public water is available along Highway 150, but public sewer is unavailable. Highway 150 East is designated as a "boulevard" in the 2035 Greater Hickory Urban Area Long Range Transportation Plan. This road is a major east-west route between Shelby, Lincolnton, and Mooresville and the State Transportation Improvement Plan contains plans for the widening of Highway 150 East to a multi-lane facility. The planning and design portion of the project is currently funded, although right-of-way acquisition and construction remain unfunded. Traffic counts taken in 2009 to the east and the west of the intersection of Highway 150 and Slanting Bridge Road measured 12,000 and 9,100, respectively.

The Sherrills Ford Small Area Plan serves as the current land use plan for this area. The plan designates approximately 750 acres as a "Village Center" at the intersection of Highway 150 and Sherrills Ford Road. The "Village Center" is envisioned by the Sherrills Ford Small Area Plan as consisting of a mixture of commercial, office and residential uses.

The Catawba County Planning Board held a public hearing on October 25, 2010 and continued on November 1, 2010. The applicants were present, however no questions or concerns were brought forward during the hearing. No one spoke in opposition to the request. By a vote of 5-0, the Planning Board recommended the adoption of a statement affirming the consistency of the rezoning request

with the Sherrills Ford Small Area Plan and the rezoning of the properties from HC Highway Commercial to R-20 Residential based on the existing use of the properties being residential, the proximity of existing R-20 Residential properties, and the Sherrills Ford Small Area Plan recognizing residential uses as a component of a Village Center.

Vice-Chair Lail opened the public hearing, noting it was duly advertised. No one came forward to speak. Commissioner Beatty made a motion to adopt a statement affirming the consistency of the rezoning request with the Sherrills Ford Small Area Plan and approving the rezoning based on the existing use of the properties being residential, the proximity of existing R-20 Residential properties and the Sherrills Ford Small Area Plan recognizing residential uses as a component of the Village Center. The motion carried unanimously.

The following consistency statement applies:

#### **ZONING MAP AMENDMENT CONSISTENCY STATEMENT**

On November 15, 2010, at the request of Berry and Julia Caldwell, the Catawba County Board of Commissioners conducted a public hearing for the purpose of considering a zoning map amendment (Case #RZ2010-003).

Upon considering the matter, the Catawba County Board of Commissioners finds the item to be consistent with the Sherrills Ford Small Area Plan based upon:

- (a) The existing use of the properties being residential;
- (b) The proximity of existing R-20 Residential properties; and
- (c) The Sherrills Ford Small Area Plan recognizing residential uses as a component of the Village Center.

The Catawba County Board of Commissioners therefore approves the zoning map amendment. This approval was affirmed by a vote of 4 - 0 of the Catawba County Board of Commissioners.

The following zoning amendment applies:

**Ordinance No. 2010-\_\_\_\_\_**

#### **AMENDMENT TO THE CATAWBA COUNTY ZONING MAP**

**BE IT ORDAINED BY THE BOARD OF COMMISSIONERS**, that the Catawba County Official Zoning Atlas is hereby amended by rezoning the following described properties from HC Highway Commercial to R-20 Residential District.

Two parcels totaling 5.19 acres located at 7804 and 7826 East NC Highway 150 in the Sherrills Ford Small Area Planning District, Mountain Creek Township, and further identified as Parcel Identification Numbers 4617-13-04-2349 and 4617-13-04-4448.

#### **PLAN CONSISTENCY STATEMENT:**

Pursuant to NCGS 153A-341, and upon consideration of the recommendations and guiding principles of the Sherrills Ford Small Area Plan, the Catawba County Board of Commissioners finds the rezoning request to be consistent with the Small Area Plan based upon:

- (a) The existing use of the properties being residential;



- (b) The proximity of existing R-20 Residential properties; and
- (c) The Sherrills Ford Small Area Plan recognizing residential uses as a component of the Village Center.

9. Appointments:

Commissioner Hunsucker recommended the reappointment of Jo Anne Craddock for a seventh term and Wayne Hicks for a third term on the Dangerous Dog Appellate Board. These terms will expire November 4, 2013. Commissioner Hunsucker presented recommendations of Chair Katherine W. Barnes to appoint the following individuals to the Catawba County Youth Council: Anna Taylor (St. Stephens High), Luke Lackey (Maiden High), Dale Bass (Maiden High), Kaitlin Winn (Fred T. Foard), Ashley Bright-Smith (Challenger High), Jacqlyn Lo (Hmong Association/Challenger High), Whitney Patterson (Challenger High), Andrew Beard (Bandys), Shaquille Smith (Hickory Career Arts Magnet) and Katlyn Whittaker (Hickory Career Arts Magnet); and the reappointment of the following individuals to this Council: Rega Hale (Hickory High), Anne Orgain (Hickory High), Andrew Collins (Hickory High), Madison Malson (4-H), Jason Setzer (Bunker Hill), Taylor Simmons (Bunker Hill), Lake Gibson (Bunker Hill), Jonathon Lambert (private school – Hickory Christian), Lilly LeQuire (Newton Health & Sciences), Allison Todd (Newton Health & Sciences), Sarah Sigmon (Fred T. Foard), Megan Smith (St. Stephens), Kimberly Hulley (St. Stephens), Katie Morrison (Fred T. Foard), Jessica Bailes (Newton-Conover High), Ashley Bandy (Newton-Conover High), Rebekah Love (Newton-Conover High), Shivam Desai (Newton-Conover High) and Savannah Sherrill (Bandys). All these appointments and reappointments will expire December 31, 2011. These recommendations came in the form of a motion and the motion carried unanimously.

10. Departmental Reports:

A. Catawba Valley Medical Center:

Catawba Valley Medical Center Senior Vice-President and Chief Financial Officer David Boone presented a request for the Board to approve entering into an interest rate cap agreement for 2009 bonds, issued on August 12, 2009 for the benefit of Catawba Valley Medical Center (CVMC) and adopt a required resolution. CVMC requested that the County issue an additional \$20-\$25 million of revenue bonds for CVMC in December of 2010 to finance further expansion of CVMC's facilities.

The 2010 bonds will be issued as fixed rate debt. As a pre-condition to issuing the 2010 Bonds, the North Carolina Local Government Commission (LGC) has advised CVMC and the County that they need to enter into an interest rate cap to protect against upward interest rate fluctuations associated with variable interest rates on the 2009 Bonds. Under an interest rate cap, CVMC will pay an upfront fixed fee to a cap counterparty; and the counterparty will agree to make periodic payments to CVMC equal to the amount of interest payable on the 2009 Bonds, in excess of the cap rate. CVMC will pay the upfront fixed fee from CVMC revenues. After payment of that upfront fixed fee, neither CVMC nor the County will have any ongoing financial liability under the interest rate cap.

Since the County is the issuer of the 2009 Bonds, the County is a necessary party to the interest rate cap. Under current LGC policies, the County and CVMC must adopt an Interest Rate Cap Policy, which sets forth the general rules and guidelines the County and CVMC will follow with respect to interest rate caps including under what circumstances interest rate caps may or will be used, the methods by which interest rate caps will be solicited and procured, and certain general terms that may or will be included in the interest rate cap agreement. The Policy only applies to interest rate cap agreements related to debt incurred by the County for the benefit of CVMC. Under the Policy, an interest rate cap (or other interest rate protection agreement) must be kept in place on the 2009 Bonds while outstanding, unless prior consent of the LGC is obtained. Each respective interest rate cap agreement is subject to prior approval of the County before it can be put in place.

Under current LGC policies, an interest rate cap advisor must be retained. CVMC has hired Efficient Capital Corporation (ECC), which is on the LGC's list of approved advisors, to serve as advisor on the interest rate cap on the 2009 Bonds. CVMC will pay ECC's fee from CVMC revenues. CVMC has determined that an 8% interest rate cap on the 2009 Bonds, with a stated termination not later

than August 12, 2014 which is the current expiration date of the BB&T Letter of Credit supporting the 2009 Bonds, is the most cost effective method to satisfy LGC requirements. The required resolution authorizes the Senior Vice President of Finance and Chief Financial Officer of CVMC to solicit and negotiate the terms of the interest rate cap agreement, subject to the stated limitations. The County's Finance Director is authorized to file an application for the required LGC approval of the interest rate cap and execute and deliver the interest rate cap agreement on behalf of the County. Other designated representatives of the County are authorized to take any and all other actions necessary or advisable to put the interest rate cap on the 2009 Bonds in place.

Commissioner Hunsucker made a motion to approve entering into an interest rate cap agreement for 2009 bonds, issued on August 12, 2009 for the benefit of Catawba Valley Medical Center (CVMC) and adopt the required resolution. The motion carried unanimously.

The following policy applies:

COUNTY OF CATAWBA, NORTH CAROLINA

CATAWBA VALLEY MEDICAL CENTER

**Policy Regarding Interest Rate Cap Agreements  
Related to Debt Incurred for Benefit of CVMC**

The Board of Commissioners of the County of Catawba, North Carolina (the "County") and the Board of Trustees of Catawba Valley Medical Center ("CVMC") have determined to compile in a written instrument the policies and practices the County and CVMC will employ in connection with proposed interest rate cap agreements to be entered into by the County and/or CVMC with respect to debt incurred by the County/CVMC for the benefit of CVMC and transactions related thereto. For such purpose, County and CVMC staff have reviewed the policy adopted by the State of North Carolina and have consulted with the Local Government Commission, the County/CVMC's accountants and bond counsel. Specific legislative authorization for these agreements and transactions exists in G.S. Chapter 159, Article 13, §§ 159-193 to 200, inclusive.

1. Upon written request of CVMC, the County/CVMC will retain, on a transaction by transaction basis, an experienced, independent advisor (interest rate cap advisor) from a list of such advisors pre-screened by the Local Government Commission. Duties of the interest rate cap advisor will include (a) advice with respect to the structure, terms and provisions of any proposed interest rate cap transaction to be entered into by the County and/or CVMC with respect to debt incurred by the County/CVMC for the benefit of CVMC and (b) provision of an opinion to the County and CVMC that any interest rate cap agreement and related transactions approved by the County and/or CVMC are priced at a fair market value to the County and/or CVMC as of the date of its execution.

2. This policy will be applicable only to proposed interest rate cap agreements to be entered into by the County and/or CVMC with respect to debt incurred by the County/CVMC for the benefit of CVMC, whether such debt is now outstanding or hereafter incurred. This policy will not be applicable to any other debt incurred by the County. As used herein, "interest rate cap agreement" shall mean a written contract entered into with another person (counterparty) that in substance provides for a cap or limit upon variable interest rates on debt incurred by the County/CVMC for the benefit of CVMC. However, the failure by the County and/or CVMC to comply with any provision of this policy will not invalidate or impair any interest rate cap agreement.

**Conditions For Use of Interest Rate Cap Agreements**

*Purposes*

Interest rate cap agreements may be used for the following purposes only:

1. To manage interest rate risk associated with variable rate debt.
2. To achieve more flexibility in meeting overall financial objectives than available in conventional debt markets.

*Legality*

The County and CVMC must receive an opinion acceptable to the market from a nationally recognized law firm that the interest rate cap agreement is a legal, valid and binding obligation of the County and the County's entering into the interest rate cap agreement and related transactions comply with applicable law.

*Speculation*

The County and CVMC will not use interest rate cap agreements for speculative purposes. Risks associated with a particular interest rate cap agreement will be prudent risks that are appropriate for the County and CVMC to take.

*Required Use*

On or about December 7, 2010, the County and CVMC will have a cost effective interest rate cap or other interest rate protection agreement in effect for any outstanding variable rate debt incurred by the County for the benefit of CVMC, absent the prior written waiver of this requirement from the Local Government Commission or the Secretary of the Local Government Commission.

**Methods by Which Interest Rate Cap Agreements will be Solicited and Procured**

In general, the County and CVMC will procure interest rate cap agreements by a competitive process. The County and CVMC, with the advice of the Local Government Commission, will determine which parties it will allow to participate in a competitive procurement. In situations where the County and CVMC wish to achieve diversification of counterparty exposure, the County and CVMC may allow a firm or firms not submitting the bid that produces the lowest cost to match the lowest bid and be awarded up to a specified percentage of the notional amount of the interest rate cap agreement.

Notwithstanding the above, the County and CVMC may procure interest rate cap agreements by negotiated methods in the following situations:

1. The County and CVMC make a determination that, due to the size or complexity of a particular interest rate cap agreement, a negotiated transaction would result in the most favorable pricing and terms. The County and CVMC will use its interest rate cap advisor or the Local Government Commission to assist in the price negotiations, in the development of terms and in risk assessment.
2. The County and CVMC make a determination, in light of the facts and circumstances, that a negotiated transaction will promote their interests by encouraging and rewarding innovation. For example, if a firm brings to the County and CVMC a proposed transaction that integrates an interest rate cap agreement with respect to debt incurred by the County/CVMC for the benefit of CVMC on terms favorable to the County and CVMC, the County and CVMC may award the interest rate cap agreement to such firm without competition.
3. If procured through negotiation, the County and CVMC may obtain pricing assistance from the Local Government Commission and will obtain an opinion of its interest rate cap advisor, if any, that the terms and conditions of the interest rate cap agreement reflects the fair market value of such interest rate cap agreement as of the date of its execution.

## **Form and Content of Interest Rate Cap Agreements**

Any interest rate cap agreement entered into by the County and/or CVMC may contain any of the terms and conditions set forth in an International Swaps and Derivatives Association, Inc. ("ISDA") Master Agreement, including any related Schedules and confirmations. A form of the 2002 ISDA Master Agreement and Schedule is attached hereto. The related Schedule, if any, may be modified to reflect specific legal requirements and business terms desired by the County and/or CVMC.

The County and CVMC will consider including provisions that permit the County and/or CVMC to assign their rights and obligations under the interest rate cap agreement and to terminate, at the option of the County and CVMC, the interest rate cap agreement at any time at its market value. In general, an interest rate cap agreement will not accord the counterparty the right to assign or terminate at its option such interest rate cap agreement.

### *Events of Default*

Events of default of a counterparty may include the following:

1. Failure to make payments when due,
2. Material breach of representations and warranties,
3. Illegality,
4. Failure to comply with downgrade provisions, and
5. Failure to comply with any other provisions of the interest rate cap agreement after a specified notice period.

The County and CVMC may reserve the right to terminate the interest rate cap agreement upon an event of default by the counterparty. Such right may be conditioned on the consent of a third party such as the Local Government Commission and any person providing credit enhancement or liquidity for the debt instrument in any related transaction. Upon such termination, the counterparty will be the "defaulting party" for purposes of calculating the termination payment owed, if any.

### *Aspects of Risk Exposure Associated with Interest Rate Cap Agreements*

Before entering into an interest rate cap agreement, the County and CVMC will evaluate all the risks inherent in the particular transaction. The risks to be evaluated, to the extent applicable, will include counterparty risk, termination risk, rollover risk, basis risk, tax risk and amortization risk. To the extent possible, the County and CVMC will endeavor to diversify their exposure to counterparties. To that end, before entering into a particular transaction, and taking into account the ratings and provisions for replacement in the event of ratings downgrades and withdrawals, the County and CVMC will determine their exposure to the relevant counterparty or counterparties and attendant risk and weigh that exposure and risk in selecting the counterparty for the proposed transaction.

### *Counterparty Selection Criteria*

The County and CVMC may enter into an interest rate cap agreement if the counterparty has at least two long term unsecured credit ratings not lower than the "A" category from Fitch, Moody's, or S&P and the counterparty has demonstrated experience in successfully executing interest rate cap agreements. If after entering into an agreement the ratings of the counterparty are downgraded below the "A" category or withdrawn, then the agreement may be subject to termination at the option of the County and CVMC unless (a) the counterparty provides either a substitute guarantor or assigns the interest rate cap agreement, in either case, to a party meeting the rating criteria reasonably acceptable to the County and CVMC or (b) the counterparty (or guarantor) collateralizes

the interest rate cap agreement in accordance with the criteria set forth in this Policy and the interest rate cap agreement.

*Provisions for Collateralization*

Should the rating of the counterparty, or if the interest rate cap agreement is enhanced, the entity unconditionally guaranteeing the counterparty's payment obligations, not satisfy the requirements of the *Counterparty Selection Criteria*, then the obligations of the counterparty, in the discretion of CVMC, may be required to be fully and continuously collateralized by direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, and, if required by CVMC, such collateral will be deposited with the County, CVMC or an agent thereof. Any such collateral posted by the counterparty shall have a net market value of at least 100% of the net market value of the interest rate cap agreement to the County and CVMC.

*Standards for Procurement of Credit or Liquidity Facilities*

The selection of the provider of the credit enhancement or a liquidity facility in connection with the interest rate cap agreement should be based on the following criteria:

1. Credit Rating,
2. Capacity of the provider,
3. Ability of the provider to make required payments,
4. Duration of the credit or liquidity facility relative to the duration of the interest rate cap agreement,
5. Terms of the credit or liquidity facility provider agreement,
6. Trading value of the provider's credit or liquidity facility,
7. Prior experience of the County and/or CVMC and/or other parties with the provider,
8. Cost, relative to other proposals, and potential savings versus unenhanced counterparty obligations,
9. Overall exposure of the County and/or CVMC to the provider,
10. Overall exposure of debt markets to the provider, and
11. Ability of provider to accept terms and conditions as proposed.

The procurement of any liquidity or credit enhancement facilities will be in compliance with applicable State law.

*Long-Term Implications*

In evaluating a particular transaction involving the use of an interest rate cap agreement, the County and CVMC will review internally and with the Local Government Commission long-term implications associated with entering into interest rate cap agreements, including costs of borrowing, historical interest rate trends, variable rate capacity, credit enhancement capacity, opportunities to refund related debt obligations and other similar considerations.

**Methods to be Used to Reflect Interest Rate Cap Agreements in Financial Statements**

The County and CVMC will reflect the use of interest rate cap agreements on their respective financial statements in accordance with generally accepted accounting principles.

**Monitoring**

The County and CVMC will monitor their use of interest rate cap agreements as follows:

1. CVMC will determine any amounts which are required to be paid and received, and that such amounts were paid and received;
2. CVMC will determine that each counterparty is in compliance with its rating requirements, including any downgrade provisions, if applicable;
3. CVMC will determine, at least quarterly, that all posted collateral, if required, has a net market value of at least 100% of the net market value of the interest rate cap agreement to the County and CVMC (See *Provisions for Collateralization*).

The following resolution applies:

**EXTRACT FROM MINUTES OF MEETING OF THE BOARD OF COMMISSIONERS FOR  
THE COUNTY OF CATAWBA, NORTH CAROLINA**

A regular meeting of the Board of Commissioners for the County of Catawba, North Carolina, was held in the Robert E. Hibbits Meeting Room of the 1924 County Courthouse in Newton, North Carolina, the regular place of meeting, at 7:00 p.m., on November 15, 2010.

PRESENT: Vice-Chair Lynn M. Lail, presiding, and Commissioners Dan A. Hunsucker, Barbara G. Beatty and C. Randall Isenhower.

ABSENT: Chair Katherine W. Barnes

ALSO PRESENT: County Manager J. Thomas Lundy, County Attorney Debra Bechtel, Deputy County Attorney Anne Marie Pease and County Clerk Barbara E. Morris

\* \* \* \* \*

Catawba Valley Medical Center Senior Vice-President and Chief Financial Officer David Boone introduced the following resolution, a copy of which had been provided to each Commissioner and which was read by title:

**RESOLUTION # 2010-24**

RESOLUTION ADOPTING POLICY REGARDING INTEREST RATE CAP AGREEMENTS RELATED TO DEBT INCURRED FOR BENEFIT OF CATAWABA VALLEY MEDICAL CENTER; AUTHORIZING AND APPROVING AN INTEREST RATE CAP AGREEMENT FOR OUTSTANDING REVENUE BONDS; AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS IN CONNECTION THEREWITH

**WHEREAS**, The Board of Hospital Trustees of Catawba County, North Carolina has requested the County to adopt a policy regarding interest rate cap agreements related to debt heretofore and hereafter incurred by the County for the benefit of Catawba Valley Medical Center ("CVMC") and transactions related thereto;

**WHEREAS**, there have been submitted to this meeting a document entitled "Policy Regarding Interest Rate Cap Agreements Related to Debt Incurred for Benefit of CVMC" (the "Interest Rate Cap Policy");

**WHEREAS**, the Board of County Commissioners (the "Board") desires to adopt the Interest Rate Cap Policy, which will also be adopted by CVMC;

**WHEREAS**, CVMC has requested the County to approve the execution and delivery of an interest rate cap agreement related to the \$25,000,000 County of Catawba, North Carolina Taxable Variable Rate Demand Hospital Revenue Bonds (Catawba Valley Medical Center Project), Series 2009 (the "2009 Bonds"), all of which are currently outstanding, and to authorize CVMC, on behalf of the County, to solicit and negotiate an interest rate cap agreement to be executed and delivered by the County for the 2009 Bonds with one or more counterparties, as determined by CVMC in its discretion;

**WHEREAS**, the Board desires to approve the execution and delivery of an interest rate cap agreement for the 2009 Bonds, subject to the limitations set forth herein, to authorize CVMC to solicit and negotiate an interest rate cap agreement for the 2009 Bonds with one or more counterparties, as determined by CVMC and to authorize other actions in connection therewith; and

**NOW, THEREFORE, BE IT RESOLVED** by the Board as follows:

Section 1. The Interest Rate Cap Policy is hereby adopted.

Section 2. Subject to the limitations set forth in this resolution, the Senior Vice President of Finance and Chief Financial Officer of CVMC is hereby authorized to solicit and negotiate an interest rate cap agreement for the 2009 Bonds with one or more counterparties, as determined by CVMC in its discretion; provided, however, that (a) the notional amount of the interest rate cap agreement for the 2009 Bonds shall not exceed \$25,000,000, (b) the interest rate under the interest rate cap agreement for the 2009 Bonds shall not exceed 8% per annum, and (c) the scheduled termination date of the initial interest rate cap agreement for the 2009 Bonds shall not extend beyond August 12, 2014. The Finance Director is hereby authorized to execute and deliver the final interest rate cap agreement for the 2009 Bonds on behalf of the County, and the execution and delivery thereof by the Finance Director shall be conclusive evidence of the approval and authorization thereof by the County.

Section 3. The Finance Director is hereby authorized to file an application with the North Carolina Local Government Commission for approval of the County and CVMC entering into an interest rate cap agreement for the 2009 Bonds under the terms set forth in this resolution, and the North Carolina Local Government Commission is hereby requested to approve the same. In connection with the Local Government Commission's consideration of such application, the Board makes the following findings and determinations:

a. The annual audits of the County show the County to be in strict compliance with debt management policies and that the budgetary and fiscal management policies are in compliance with law and the County is not in default on any of its debt service obligations.

b. Entering into the interest rate cap agreement for the 2009 Bonds is necessary or expedient.

c. No increase in taxes will be necessary to enable the County and CVMC to make the payments expected to be required with respect to the interest rate cap agreement for the 2009 Bonds; CVMC will make all such payments from CVMC's revenues.

(d) The County has considered the nature and amount of its outstanding debt incurred for the benefit of CVMC in proposing the interest rate cap agreement for the 2009 Bonds.

(e) CVMC has employed Efficient Capital Corporation ("ECC") as interest rate cap agreement advisor; and ECC has advised CVMC as to the structure, risks and benefits of an interest rate cap agreement.

Section 4. The Chair, the Vice-Chair, the County Manager, the Finance Director, the County Attorney and the Clerk to the Board of Commissioners, or any of them or their deputies, are hereby authorized to take any and all such further action, and to execute and deliver for and on behalf of the County such other documents and certificates as they may deem necessary or advisable to carry out the intent of this resolution and to execute and deliver an interest rate cap agreement for the 2009 Bonds. The Clerk to the Board of Commissioners is hereby authorized to affix the seal of the County to such documents and certificates as may be appropriate and to attest to the same and to execute and deliver such certificates as may be appropriate.

Section 5. All actions heretofore taken by the officers or other representatives of the County, CVMC or the Board of Hospital Trustees of CVMC relating to adoption of the Interest Rate Cap Policy or relating to an interest rate cap agreement for the 2009 Bonds are hereby ratified, authorized and approved.

Section 6. This Resolution shall take effect immediately upon its passage.

Upon motion of Commissioner Dan A. Hunsucker, and unanimously carried, the Board approved the passage of the foregoing resolution entitled "RESOLUTION ADOPTING POLICY REGARDING INTEREST RATE CAP AGREEMENTS RELATED TO DEBT INCURRED FOR BENEFIT OF CATAWBA VALLEY MEDICAL CENTER; AUTHORIZING AND APPROVING AN INTEREST RATE CAP AGREEMENT FOR OUTSTANDING REVENUE BONDS; AND AUTHORIZING THE EXECUTION AND DELIVERY OF RELATED DOCUMENTS IN CONNECTION THEREWITH."

I, Barbara Morris, Clerk to the Board of Commissioners for the County of Catawba, North Carolina, DO HEREBY CERTIFY that the foregoing is a true copy of so much of the proceedings of said Board at a regular meeting held on November 15, 2010, as relates in any way to the passage of a resolution (No. 2010-24) adopting an interest rate cap policy for debt incurred for the benefit of Catawba Valley Medical Center, authorizing and approving an interest rate cap agreement for certain outstanding bonds, and authorizing the execution and delivery of related documents and that said proceedings are recorded in Minute Book No. 51 of the minutes of said Board, beginning at page \_\_\_\_.

I DO HEREBY FURTHER CERTIFY that a schedule of regular meetings of said Board, stating that regular meetings of said Board are held on the first and third Mondays of each month at 9:30 a.m. and 7:00 p.m., respectively, (with such exceptions applicable thereto) in the Robert E. Hibbitts Meeting Room of the 1924 County Courthouse in Newton, North Carolina, has been on file in my office as of a date not less than seven before the day of said meeting in accordance with G. S. §143-318.12.

WITNESS my hand and corporate seal of said County this \_\_\_\_ day of November, 2010.

**B. Utilities and Engineering:**

Utilities and Engineering Director Barry Edwards presented a request for the Board to exercise an early termination clause, to save \$315,315 associated with contracts for methane gas service at the Blackburn and Newton Landfills with Catawba Landfill Gas, LLC and Newton Landfill Gas, LLC, and the appropriation of funds for compliance with new and increasing air quality regulations.

In 1998, Catawba County entered into a 15-year contract with Catawba Landfill Gas, LLC and Newton Landfill Gas, LLC to extract methane gas from closed landfill areas at the Blackburn and Newton Landfills, respectively. At that time, these contracts benefitted both the LLC and Catawba County, because the LLC qualified for energy tax credits and the County avoided an expense of \$2.5 million in gas extraction infrastructure required by EPA regulations. The County used those funds to purchase GE Jenbacher engines currently in use to convert methane gas found in the landfills to create electricity. The existing contracts include an early termination clause that will result



in net savings for the County's Solid Waste Enterprise Fund of \$315,315 and be beneficial to the current needs and future development options at the County's EcoComplex by providing more operational flexibility and by bundling the existing operations of the EcoComplex for improved efficiency.

The continuing development of the EcoComplex will also necessitate 1) the relocation of the existing GE Jenbacher generator units, 2) installation of new landfill gas wells and treatment equipment including infrastructure and monitoring equipment to meet new air quality regulations, and 3) the further expansion of landfill gas collection lines, and a blower and flare station. This work goes beyond the scope of the existing LLC contract. The early termination will allow for improved development compatibility for current and future EcoComplex components.

The existing 15-year agreements require the LLC to provide the following services until October 2013: extraction of methane gas; selling and delivering cleaned gas to the County; and construction, operation and maintenance of the landfill gas collection system and associated gas equipment at a cost of \$130,000 annually for the Blackburn Landfill and \$43,000 annually for the Newton Landfill. The early termination of the LLC contracts allows the County to meet future landfill gas management needs by performing and/or securing services from other providers that will be more inclusive of future landfill gas project needs that the existing LLC contracts cannot provide. Existing Solid Waste staff will assume the operations and maintenance duties of the LLC. Under the terms of the termination, the County may purchase from the LLC the above-ground portion of the gas collection system, at a fair market value purchase price. The early termination immediately returns ownership of the landfill gas rights back to the County and the below-ground portion of the gas collection system, currently owned by the LLC, will become County-owned.

During the course of the existing contract, certain improvements that the LLC was required to do have not been carried out. In establishing a fair buyout value, the County has taken these events into consideration. The cost for the work done by the County to satisfy these improvements has been used to adjust the final payment due to the LLC to establish a fair value for the contract buyout. The early termination cost is \$415,000, which equates to the savings of \$315,315 from the cost to continue the contract through October 2013.

Catawba County is required to submit various compliance-related reports for the Blackburn and Newton Landfills to the North Carolina Department of Environment and Natural Resources' Division of Air Quality (DAQ) on an annual basis. Additionally, effective on January 1, 2011, the U.S. Environmental Protection Agency will require that greenhouse gas (GHG) sources be monitored and reported. These new GHG reporting requirements, which affect both the Blackburn and Newton Landfills, require increased monitoring measures; data collection; methane monitoring surface sweeps and reporting. Third party monitoring and assurance will be required to assist the County in meeting the constantly changing air quality rules and regulations. Staff has calculated that the new air quality regulations, combined with changes to existing compliance requirements, will cost approximately an additional \$100,000 for Fiscal Year 2010-11. A budget revision to appropriate the additional funding was approved in the amount of \$100,000. All costs associated with the landfill and solid waste activities are funded from the Solid Waste Enterprise Fund, derived from solid waste tipping fees containing no ad valorem tax proceeds.

Commissioner Beatty made a motion to exercise the early termination clause to save \$315,315 associated with the contracts for methane gas service at the Blackburn and Newton Landfills with Catawba Landfill Gas, LLC and Newton Landfill Gas, LLC and appropriate funds for compliance with new and increasing air quality regulations. The motion carried unanimously.

The following appropriations apply:

Appropriations	
Revenue	
525-350050-690100	\$515,000
Fund Balance Applied	

Expenditures	
525-350200-989000	\$415,000
Other Structures & Improvements	
525-350200-841546	\$100,000
Air Quality	

11. Other Items of Business: None.

12. Attorney's Report: None.

13. Manager's Report.

a. County Manager J. Thomas Lundy requested the Board set a meeting schedule for 2011. Scheduling a first meeting in January is traditionally difficult because accompanying subcommittee meetings fall during the week between Christmas and New Year. The first meeting in March falls during the National Association of Counties Legislative Conference so it was proposed that meeting be cancelled. The first meeting in July falls during the Fourth of July holiday week and the second July meeting falls during the National Association of Counties' Annual Meeting, so it was proposed that a single July meeting be held on Monday, July 11, 2011 at 7 p.m. The August 15, 2011 meeting falls during Soldiers Reunion Week, so it would not be feasible for the Board to meet at its usual location, the 1924 Courthouse in Newton. The second meeting in September falls during the International City and County Management Association's Annual Meeting, so it was proposed that there be only one September meeting, on September 12, 2011 at 7 p.m. Staff proposed budget hearings with departments for Tuesday, May 31, 2011, with a public hearing and wrap-up on the budget to be held on Thursday, June 2, 2011 and budget adoption scheduled for the Board's June 6, 2011 meeting. The following changes to the Board's meeting schedule for 2011 were proposed: 1) cancellation of the January 3, 2011 meeting and accompanying subcommittee session; 2) cancellation of the March 7, 2011 meeting and accompanying subcommittee meetings ; 3) cancellation of the July 4, 2011 meeting and accompanying subcommittee meetings and one July meeting on Monday, July 11, 2011 at 7 p.m. with no accompanying subcommittee meetings; 4) relocation of the August 15, 2011 meeting to the 2<sup>nd</sup> Floor Meeting Room of the Government Center in Newton 5) cancellation of the September 6, 2011 meeting and accompanying subcommittee meetings, with one September meeting on Monday, September 12, 2011 at 7 p.m., with accompanying subcommittee meetings held on Tuesday, September 7, 2011. 6) scheduling of the Board's annual breakfast meeting with Cooperative Extension Service staff for Monday, December 5, 2011 at 8 a.m.; and 7) the Board's budget hearings with departments held on Tuesday, May 31, 2011, with a public hearing and wrap-up session beginning at 7 p.m. on Thursday, June 2, 2011. Budget adoption would be scheduled for the Board's meeting at 9:30 a.m. on June 6, 2011.

Commissioner Hunsucker made a motion to adopt the proposed schedule and resolution. The motion carried unanimously. The following resolution applies:

**RESOLUTION NO. 2010-  
Adopting 2011 Board of Commissioners Meeting Schedule**

WHEREAS, pursuant to Section 2-47 of the Catawba County Code, the regular meetings of the Catawba County Board of Commissioners shall be held as provided in a resolution adopted by the Board in a regularly scheduled meeting held not less than ten days prior to the first meeting to which the resolution is to apply. The Board will observe the holiday honoring Dr. Martin Luther King, Jr. by meeting on the Tuesday following such holiday.

NOW, THEREFORE, BE IT RESOLVED that the Catawba County Board of Commissioners adopts the following Meeting Schedule for 2011:

January 18 – Tuesday, 7:00 p.m.

February 7 – Monday, 9:30 a.m.

February 21 – Monday, 7:00 p.m.  
March 21 – Monday, 7:00 p.m.  
April 4 – Monday, 9:30 a.m.  
April 18 – Monday, 7:00 p.m.  
May 2 – Monday, 9:30 a.m.  
May 16 – Monday, 7:00 p.m.  
May 31 – Tuesday, 8:00 a.m. – 5:00 p.m. – Budget hearings with Departments  
June 2 – Thursday, 7:00 p.m. – Budget Public Hearings & Wrap-Up  
June 6 – Monday, 9:30 a.m. (Budget Adoption)  
June 20 – Monday, 7:00 p.m.  
July 11 – Monday, 7:00 p.m.  
August 1 – Monday, 9:30 a.m.  
August 15 – Monday, 7:00 p.m. – Change of Location – 2<sup>nd</sup> Floor Mtg Room, Government Ctr.  
September 12 – Monday, 7:00 p.m.  
October 3 – Monday, 9:30 a.m.  
October 17 – Monday, 7:00 p.m.  
November 7 – Monday, 9:30 a.m.  
November 21 – Monday, 7:00 p.m.  
December 5 – Monday, 8:00-9:00 annual breakfast w/CES – Regular meeting 9:30 a.m.  
December 19 – Monday, 7:00 p.m.

This the \_\_\_\_\_ day of November, 2010.

b. Mr. Lundy presented a request for the Board to set its goals for Fiscal Year 2011-12. The setting of goals is a prelude to the start of the County's annual budget process in December and culminates with the adoption of an annual budget in June. Board members individually submitted ideas for goals and the members were then asked to express a preference on ranking goals for 2011-12. Overwhelmingly the top two choices were current year goals dealing with a fiscally responsible budget with no tax increases and continuing strategies to create jobs. Priorities three and four were a continued emphasis on customer service and a push for completion of the new portions of Highway 16.

The Board's proposed goals are:

1) Prepare a Fiscal Year 2011-2012 budget which maintains services and momentum as much as possible in light of economic uncertainty and no property tax increase. Examine planned investments and expenditures to ensure it is both a good time to build and a good time to borrow funds for building, and make sure we have the necessary funds to run required services such as health, safety and education. Plan for flat growth in tax revenues. Look at ways to be more efficient and see if the County could perform some services for the smaller municipalities in payroll, purchasing, etc., which could generate some revenue for the County and save money for the smaller municipalities. Continue to examine ways to reduce expenses in each department and ways to conserve energy where possible. Based on no to low growth in ad valorem and sales taxes, develop a priority list of capital improvement projects;

2) Continue strategies to create jobs through educational opportunities to make sure the workforce is trained for tomorrow's jobs, and invest in infrastructure and development of the county's quality of life. Remain aggressive in recruiting most favored industries to the area, and add an additional multi-jurisdictional business park. Look for out of the box ideas that others are not doing. Recruit industries that are related to existing industries and work with municipalities on economic development;

3) Continue customer service emphasis in all departments. Focus on communications efforts with citizens so citizens know what is going on in County government; and,

4) Work with the North Carolina Department of Transportation toward completion of North Carolina Highway 16.

Commissioner Isenhower made a motion to set the above goals for the Board for Fiscal Year 2011-12. The motion carried unanimously.

c. County Manager Lundy then asked that Assistant County Manager Lee Worsley present some good news to the Board. Mr. Worsley reported to the Board that Catawba County had been awarded one of only two grants presented across the nation, by Motorola and the National Association of Counties (NACo), to local governments that suggested innovative solutions to improve operations within their respective counties. The \$30,000 grant will fund the wireless broadband internet capacity needed at Catawba County's EcoComplex to allow for real-time monitoring between EcoComplex laboratories, universities and businesses.

The NACo/Motorola County Government Wireless Broadband Award program was announced at the July 2010 NACo Technology Summit and applications were accepted beginning July 26th through October 15th. Entries were reviewed by a committee of NACo and Motorola leaders.

14. Commissioner Hunsucker made a motion to adjourn at 8:00 p.m. The motion carried unanimously.

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Lynn M. Lail, Vice-Chair  
Catawba County Board of Commissioners

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Barbara E. Morris  
County Clerk